



General Assembly

January Session, 2015

Committee Bill No. 241

LCO No. 3371



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

**AN ACT CONCERNING CONTINUATION OF PRIVATE PASSENGER
AUTOMOBILE INSURANCE COVERAGE FOLLOWING THE DEATH OF
THE REGISTERED AUTOMOBILE OWNER.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-343 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) No notice of cancellation of a policy to which section 38a-342
4 applies shall be effective unless sent, by registered or certified mail or
5 by mail evidenced by a certificate of mailing, or delivered by the
6 insurer to the named insured, and any third party designated pursuant
7 to section 38a-323a, at least forty-five days before the effective date of
8 cancellation, except that (1) where cancellation is for nonpayment of
9 the first premium on a new policy, at least fifteen days' notice of
10 cancellation accompanied by the reason for cancellation shall be given,
11 and (2) where cancellation is for nonpayment of any other premium, at
12 least ten days' notice of cancellation accompanied by the reason for
13 cancellation shall be given. No notice of cancellation of a policy that
14 has been in effect for less than sixty days shall be effective unless
15 mailed or delivered by the insurer to the insured and any third party

16 designee at least forty-five days before the effective date of
17 cancellation, except that (A) at least fifteen days' notice shall be given
18 where cancellation is for nonpayment of the first premium on a new
19 policy, and (B) at least ten days' notice shall be given where
20 cancellation is for nonpayment of any other premium or material
21 misrepresentation. The notice of cancellation shall state or be
22 accompanied by a statement specifying the reason for such
23 cancellation. Any notice of cancellation for nonpayment of the first
24 premium on a new policy may be retroactive to the effective date of
25 such policy, provided at least fifteen days' notice has been given to the
26 insured and any third party designee and payment of such premium
27 has not been received during such notice period.

28 (b) Where [a private passenger motor vehicle liability] an
29 automobile insurance company sends a notice of cancellation under
30 subsection (a) of this section to the named insured of a private
31 passenger motor vehicle liability insurance policy, or a third party
32 designee, such company shall provide with such notice a warning, in a
33 form approved by the Commissioner of Motor Vehicles and the
34 Insurance Commissioner, that informs the named insured that (1) the
35 cancellation will be reported to the Commissioner of Motor Vehicles;
36 (2) the named insured may be receiving one or more mail inquiries
37 from the Commissioner of Motor Vehicles, concerning whether or not
38 required insurance coverage is being maintained, and that the named
39 insured must respond to these inquiries; (3) if the required insurance
40 coverage lapses at any time, the Commissioner of Motor Vehicles may
41 suspend the registration or registrations for the vehicle or vehicles
42 under the policy and the number plates will be subject to confiscation
43 and any person operating any such vehicle will be subject to legal
44 penalties for operating a motor vehicle with a suspended registration;
45 (4) the named insured will not be able to have the registration restored
46 or obtain a new registration, or any other registration or renewal in the
47 insured's name, except upon presentation to the Commissioner of
48 Motor Vehicles of evidence of required security or coverage and the
49 entering into of a consent agreement with the commissioner in

50 accordance with the provisions of section 14-12g.

51 (c) Where an automobile insurance company is notified of the death
52 of the registered owner of a motor vehicle, a private passenger motor
53 vehicle liability insurance policy issued to such owner by such
54 company shall remain in force for not less than sixty days after such
55 company receives such notice, provided any required premium
56 payment for such policy is made.

57 [(c) If a passenger motor vehicle liability] (d) If an automobile
58 insurance company cancels a private passenger motor vehicle liability
59 insurance policy pursuant to section 38a-342, such company shall send
60 a written notice of such cancellation to any lienholder shown on the
61 records of such company as having a legal interest in such motor
62 vehicle.

63 [(d)] (e) Subsections (a) and (b) of this section shall not apply to
64 nonrenewal or if the private passenger motor vehicle liability
65 insurance policy is transferred from an insurer to an affiliate of such
66 insurer for another policy with no interruption of coverage and
67 contains the same terms, conditions and provisions, including policy
68 limits, as the transferred policy, except that the insurer to which the
69 policy is transferred shall not be prohibited from applying its rates and
70 rating plans at the time of renewal.

71 [(e)] (f) No insurance company that renews, amends or endorses in
72 this state a private passenger motor vehicle liability insurance policy
73 shall charge any fee or other charge exceeding one hundred dollars in
74 the aggregate to an insured who cancels such policy prior to the
75 expiration of such policy.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	38a-343

Statement of Purpose:

To specify that private passenger motor vehicle liability insurance policies shall remain in force for at least sixty days after the issuing automobile insurance company receives notice of the death of the registered owner of the motor vehicle, provided any required premium payment is made.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. WITKOS, 8th Dist.

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